

EUROPEAN ECONOMY

COMMISSION OF THE EUROPEAN COMMUNITIES • DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

No 11 — November 1981

Supplement A

Recent economic trends

Further fall in total output in second quarter. — Provisional estimates based on national accounts data for the four major EC Member States indicate that real gross domestic product in the Community fell by 0,6% at an annual rate in the second quarter of 1981 (see table below). This follows a fall of 0,5% in the first quarter and a rise of 0,6% in the fourth quarter of 1980. Of the four Member States concerned, only France registered an increase in total output in the second quarter; the other three all fell by an amount ranging from 2,3%-3,0%; the figure for the United Kingdom is calculated on the basis of the output measure of GDP, and is likely to be revised when the expenditure measure of GDP (normally used in the estimates by the Commission services) becomes available.

Gross domestic product at constant market prices percentage change on preceding period annual rates; seasonally adjusted

| | | Community | FR of Germany ¹ | France | UK ² | Italy |
|------|-----|-----------|----------------------------|--------|-----------------|-------|
| 1978 | Q 2 | 5,4 | 6,5 | 6,9 | 4,2 | 1,8 |
| | Q 3 | 1,8 | 3,9 | 0,8 | -1,3 | 3,1 |
| | Q 4 | 5,5 | 4,8 | 5,8 | 1,6 | 11,2 |
| 1979 | Q 1 | 1,3 | 2,1 | 0,9 | -2,6 | 4,9 |
| | Q 2 | 5,9 | 8,0 | 3,6 | 13,5 | -2,7 |
| | Q 3 | 2,3 | 2,9 | 7,0 | -7,7 | 4,9 |
| | Q 4 | 5,5 | 4,0 | 1,7 | 4,8 | 16,8 |
| 1980 | Q 1 | 4,6 | 7,5 | 1,6 | -0,1 | 8,8 |
| | Q 2 | -6,0 | -7,8 | -1,4 | -11,6 | -3,5 |
| | Q 3 | -1,0 | 0,2 | 1,4 | 2,2 | -10,5 |
| | Q 4 | 0,6 | -1,6 | -0,8 | 0,7 | 8,4 |
| 1981 | Q 1 | 0,5 | 1,4 | -3,4 | -2,3 | 2,3 |
| | Q 2 | -0,6 | -2,7 | 4,7 | -2,3 | -3,0 |

¹ FR of Germany: GNP.

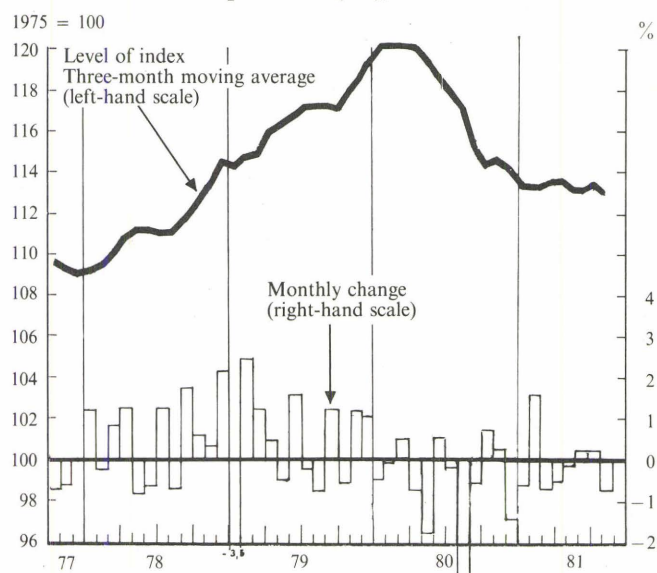
² United Kingdom 1981 Q 2: Output estimate.

Source: Estimates by the Commission services based on national accounts data for the Federal Republic of Germany, France, United Kingdom and Italy.

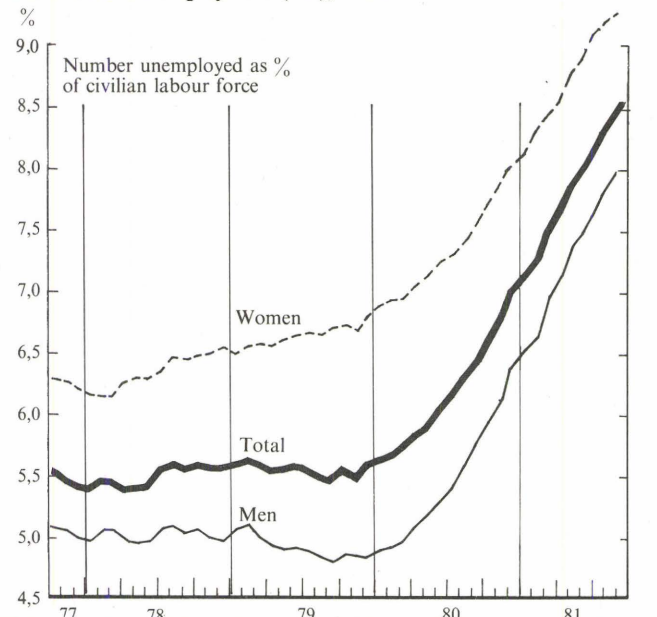
Slight downward trend in industrial production. — The index of industrial production in the Community (seasonally adjusted) fell 1,7% in August, reflecting a very sharp fall in Italy, smaller falls in Denmark, and the Netherlands, and stagnation in the Federal Republic of Germany, France and the United Kingdom. This fairly sharp fall in August, following only slight increases in June and July (0,3% in both months) means that the underlying trend in industrial production, as measured by the three-monthly moving average, turned down again, to reach its lowest level since October 1978. The fluctuations in industrial production in July and August in some countries are however so large that the seasonal adjustment is extremely uncertain. A definitive judgment on the trend must therefore wait until the figures for September and October become available.

New surge in unemployment. — The number of unemployed in the Community (seasonally adjusted) rose by 217 000 in September, the largest monthly increase since June, to reach 9,4 million. The unemployment rate—expressed as a per cent of the labour force—rose by 0,2% points, to 8,5% of the civilian labour force, or 3% points higher than in the autumn of 1979 when the present surge in unemployment started. Among the Member States, unemployment is now rising fastest in Luxembourg, the Netherlands and the Federal Republic of Germany: in all of these, the rate of increase over twelve months is above 50% (see Table 2). Belgium has the highest unemployment rate

GRAPH 1: Industrial production (s.a.), EC-10



GRAPH 2: Unemployment (s.a.), EC-9



(12,1%), followed by the United Kingdom (11,4%), Ireland (10,8%) and Italy (8,8%).

Some easing in inflation trend. — Although the month-to-month rise in the Community consumer price index in September, at 1%, was above the August increase, the trend rate, based on the seasonally adjusted change over six months, remained close to 12½% (Table 3 and Graph 3). The price of energy and certain foodstuffs (notably meat) were among the contributory factors to the rise in prices in September. Energy price increases were particularly marked in Luxembourg (where they accounted for over half the increase in prices in the month), Belgium, the Federal Republic of Germany and the Netherlands, whereas in France the increase was less than the rise in the general price level and in the United Kingdom falls were recorded in prices of petroleum products. However, previous energy price rises have been feeding through into public transport charges in both these countries. In Italy, the 1,5% increase in the month-to-month rate was insufficient to offset the overall decline in the trend rate, which began in March, and in Denmark, a downward tendency has emerged from June, despite a rapid rise in the price of services in September, due to the timing of cost of living adjustments in wages. In Greece a large increase of 4,3% was recorded in the index in September after seasonal falls in July and August. Preliminary indicators for October show some deceleration in the Federal Republic of Germany (to 0,4%) and in Belgium, where, despite the abolition of price controls at the beginning of October, the monthly rate of increase eased to 0,6%.

Upturn in the volume of retail sales in early summer. — After the sharp fall in May, the volume of retail sales in the Community rose by 0,4% in June and by 2,1% in July. The recovery was particularly pronounced in Denmark, the Netherlands and the Federal Republic of Germany (Table 4). The June recovery did not, however, continue in July in Belgium, where retail sales may have been affected by VAT changes, nor in the United Kingdom, where retail sales have in any case been very sluggish throughout the year. No new data are available for August, and only one Member State (France) has as yet reported for September.

Improvement in external trade in July. — The fall in the Community trade deficit is likely to have continued in July, on the basis of tentative provisional figures, as a result of the marked improvements in the trade balances of Italy and the Federal Republic of Germany such that the deficit should be substantially below 3 000 million ECUs. For August and September varied results have been recorded: the Italian deficit widened in August; the trade surplus of the Federal Republic of Germany, which faltered in August, increased substantially in September while in Ireland and France relative improvements in August were followed by deteriorations in results for the following month, a particularly large deterioration being recorded in France. The United Kingdom registered a trade deficit in September (figures not adjusted for seasonality) while the only other results available for 1981 (January and February) showed surpluses.

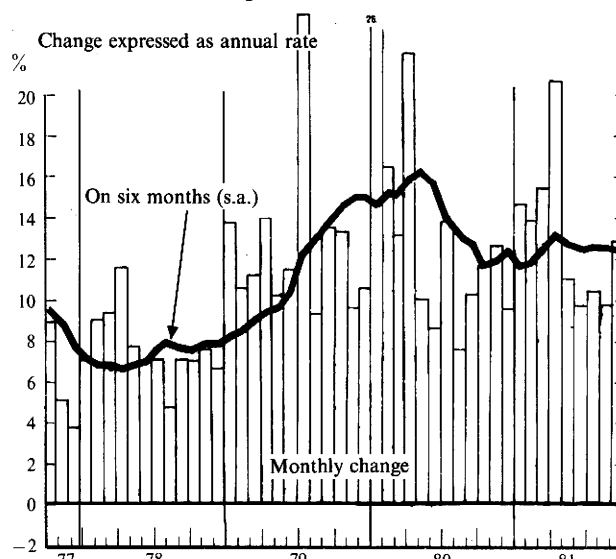
Recovery in monetary expansion. — The growth in the Community money supply accelerated in July, the monthly rate of increase (s.a.) picking up to 1,1% from only 0,6% in June. The rate of monetary growth accelerated sharply in France, as a result of a marked increase in domestic credit creation, in Ireland and in the Netherlands (admittedly following a fall in the money supply in the preceding month) as well as in the United Kingdom, where, after slowing down a little in August, it again turned upwards in September. In the Federal Republic of Germany, the money supply over the summer months only grew at a slow pace.

Fall in interest rates. — For the first time this year, a distinct fall in short-term interest rates occurred in October, the Community average falling to 15%, 1 percentage point less than the previous month. This was helped both by the reduction in American rates at the beginning of the month and by the monetary realignment within the EMS. On 8 October the Bundesbank reduced its Lombard rate by one point to 11% and throughout the month the French authorities regularly reduced their money market guide rates. The fall in rates was more modest in Belgium, the United Kingdom and the Netherlands, but in the latter Member State, there had been a significant reduction in September. Long-term rates remained largely stable in September, except in the United Kingdom where they rose almost one point.

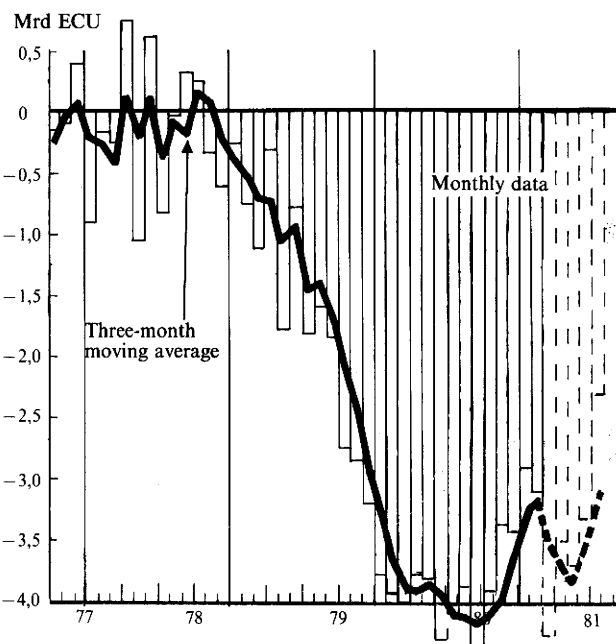
Exchange markets calm. — The realignment of EMS central rates carried out on 4 October caused an appreciation of the mark and the guilder of some 2% on average for the month against the ECU, while the other currencies depreciated, the Danish krone and the Irish pound very slightly, the Belgian franc by a little over 1%, the French franc by about 2% and the Italian lira by 3%. The pound sterling also fell back against the ECU. The Danish krone and the French franc are now at the top of the EMS exchange rate mechanism; the Italian lira, like the Belgian franc is in the middle, the Irish pound in the lower part, and the guilder and the mark at the bottom. The dollar again fell back against the ECU on average, but there was a relative recovery of the US currency in the second half of October. After a continuous period of depreciation since the middle of 1980, the effective exchange rate of the ECU appreciated sharply in September (+3,3%) and again in October (+2,1%), while that of the dollar depreciated.

6 November 1981

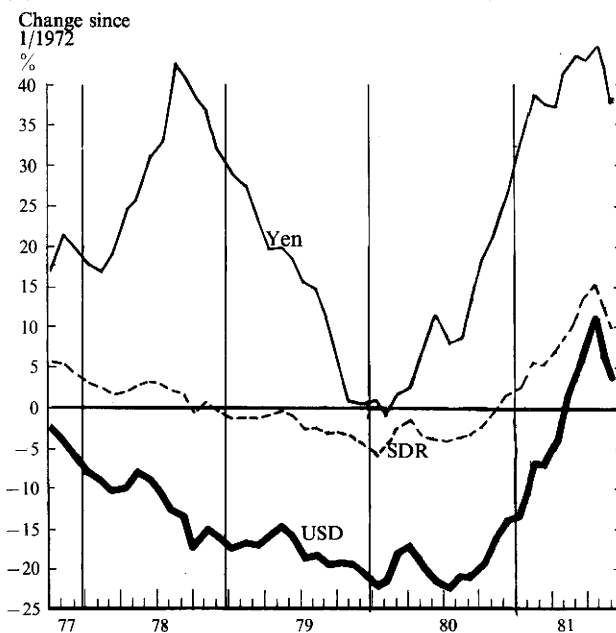
GRAPH 3: Consumer prices EC-10



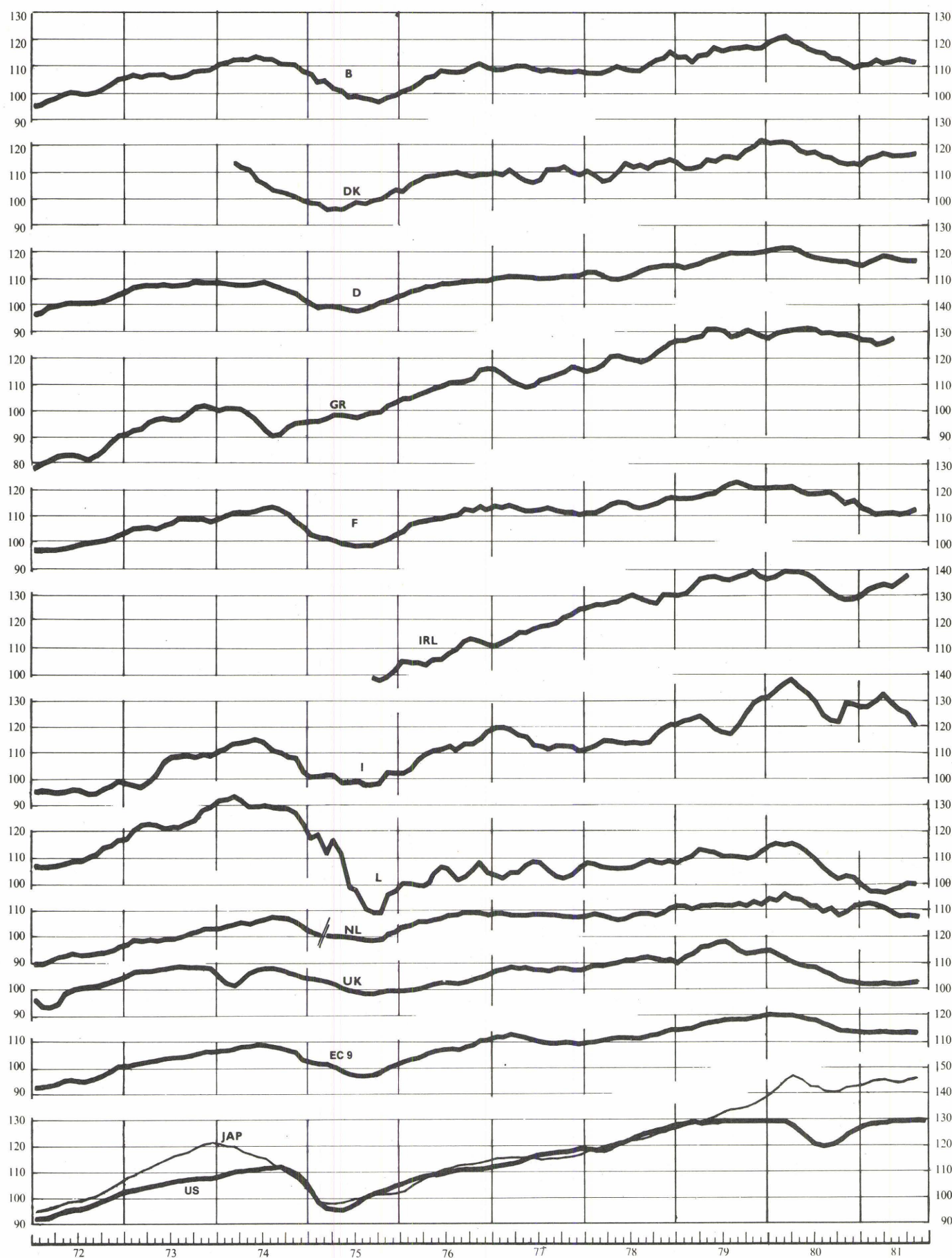
GRAPH 4: Trade balance (s.a.), EC-9



GRAPH 5: Value of USD, yen and SDR in ECUs



GRAPH 6: Industrial production (s.a.).
(Index: 1975 = 100; three-month moving average).



Source: national, except EC, DK, IRL, B, L - Eurostat.

TABLE 6: Money supply⁸ - Percentage change on preceding period (s.a.)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1980 | | 1981 | | | 1981 | | | | | | | Change over 12 months % ² |
|-------------------|------|------|------|------|------|------|-----|------|-----|-------|-------|-------|-----|------|-------|--------|-------|--|
| | | | | | | III | IV | I | II | III | March | April | May | June | July | August | Sept. | |
| B (M2) | 13,4 | 9,9 | 9,7 | 6,1 | 2,7 | 0,3 | 1,3 | 0,8 | 3,5 | : | : | : | : | : | : | : | : | 6,3 |
| DK (M2) | 11,4 | 9,8 | 6,7 | 9,9 | 10,9 | 2,0 | 5,3 | 2,3 | 2,6 | 1,4 | 1,5 | 1,1 | 0,1 | 1,4 | -0,2 | 3,6 | -2,0 | 12,0 |
| D (M3) | 8,4 | 11,1 | 11,0 | 6,0 | 6,2 | 1,0 | 2,5 | 1,3 | 2,3 | 1,0 | 0,0 | 1,2 | 0,3 | 0,8 | 0,4 | 0,3 | 0,3 | 7,2 |
| F (M2) | 12,8 | 13,9 | 12,2 | 14,4 | 9,7 | 2,3 | 2,4 | 3,7 | 3,9 | : | 0,3 | 2,1 | 1,4 | 0,5 | 1,6 | : | : | 14,2 |
| IRL (M3) | 14,3 | 16,3 | 28,7 | 19,0 | 16,9 | 6,8 | 3,8 | 4,5 | 1,8 | 6,4 | -2,3 | 1,2 | 0,7 | -0,2 | 3,2 | 4,0 | -0,8 | 17,5 |
| I (M2) | 20,8 | 21,8 | 22,8 | 20,4 | 12,3 | 1,8 | 5,3 | 2,1 | 1,5 | : | 0,6 | 0,1 | 0,4 | 1,0 | : | : | : | 11,0 |
| NL (M2) | 22,7 | 3,6 | 4,2 | 7,0 | 3,6 | 0,7 | 0,6 | 4,1 | 0,8 | : | 0,7 | 0,3 | 1,5 | -1,0 | 1,0 | : | : | 8,1 |
| UK (£M3) | 11,3 | 9,3 | 13,3 | 11,7 | 19,6 | 7,7 | 4,9 | 1,7 | 4,2 | 5,3 | 0,7 | 2,3 | 1,6 | 0,2 | 2,2 | 1,0 | 2,0 | 16,9 |
| EC 8 ⁹ | 12,9 | 12,3 | 12,7 | 11,0 | 9,7 | 2,5 | 3,1 | 2,3 | 2,8 | : | 0,4 | 1,4 | 0,9 | 0,6 | (1,1) | : | : | (11,0) |
| USA (M2) | 14,1 | 10,8 | 8,3 | 8,8 | 9,6 | 3,5 | 1,5 | 2,9 | 1,8 | (2,1) | 1,4 | 1,1 | 0,3 | 0,3 | 0,6 | 1,0 | (0,5) | (8,6) |
| JAP (M2) | 13,5 | 11,1 | 13,1 | 9,1 | 7,2 | 0,9 | 2,1 | 2,3 | 3,7 | : | 0,3 | 0,7 | 3,2 | 0,7 | 0,9 | (1,3) | : | (9,0) |

TABLE 7: Short-term interest rates¹⁰

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1980 | | 1981 | | | 1981 | | | | | | | Change over 12 months % |
|-------------------|------|------|------|------|------|------|------|------|------|------|-------|------|------|------|--------|-------|--------|-------------------------------|
| | | | | | | III | IV | I | II | III | April | May | June | July | August | Sept. | Oct. | |
| B | 10,0 | 7,6 | 7,3 | 10,1 | 14,2 | 12,6 | 13,1 | 17,0 | 15,3 | 16,0 | 17,0 | 16,9 | 15,3 | 16,5 | 16,0 | 16,0 | 15,8 | 3,3 |
| DK | 10,3 | 14,5 | 15,4 | 12,5 | 16,9 | 17,9 | 12,0 | 15,2 | 18,1 | 20,6 | 14,3 | 13,1 | 18,1 | 18,3 | 17,0 | 20,6 | 17,4 | 1,9 |
| D | 4,2 | 4,4 | 3,7 | 6,7 | 9,5 | 9,2 | 10,2 | 13,4 | 13,0 | 12,3 | 13,0 | 13,4 | 13,0 | 13,0 | 12,9 | 12,3 | 11,6 | 2,4 |
| F | 8,8 | 9,3 | 8,1 | 9,5 | 12,4 | 12,6 | 11,6 | 12,9 | 18,1 | 18,7 | 13,1 | 18,1 | 18,1 | 17,0 | 17,6 | 18,7 | 15,6 | 4,2 |
| IRL | 11,8 | 8,4 | 9,9 | 15,9 | 16,3 | 13,6 | 13,6 | 14,6 | 15,8 | 18,9 | 15,2 | 15,9 | 15,8 | 17,4 | 17,4 | 18,9 | 18,3 | 5,0 |
| I | 17,6 | 14,5 | 11,3 | 11,5 | 15,9 | 14,8 | 16,5 | 19,0 | 19,5 | 19,8 | 18,2 | 20,2 | 19,5 | 20,2 | 21,0 | 19,8 | : | 5,0 |
| NL | 7,1 | 4,8 | 6,6 | 9,5 | 10,6 | 10,3 | 9,4 | 10,3 | 11,8 | 12,9 | 11,3 | 12,2 | 11,8 | 13,3 | 13,8 | 12,9 | 12,8 | 3,5 |
| UK | 10,6 | 8,1 | 8,3 | 13,7 | 16,8 | 15,9 | 14,9 | 12,6 | 12,7 | 16,9 | 12,5 | 12,5 | 12,7 | 14,7 | 14,1 | 16,9 | 16,6 | -0,3 |
| EC 8 ⁹ | 7,5 | 8,0 | 7,2 | 9,6 | 12,7 | 12,3 | 12,3 | 13,8 | 15,2 | 16,0 | 13,8 | 15,4 | 15,2 | 15,5 | 15,6 | 16,0 | (15,0) | (2,7) |
| USA | 5,0 | 5,3 | 7,2 | 10,1 | 11,4 | 10,5 | 14,6 | 12,9 | 14,1 | 14,2 | 13,7 | 15,6 | 14,1 | 15,2 | 15,8 | 14,2 | 13,2 | 3,8 |
| JAP | : | 6,2 | 5,1 | 5,9 | 10,7 | 11,3 | 9,4 | 7,4 | 7,3 | : | 6,7 | 7,5 | 7,3 | 7,1 | 7,3 | : | : | -3,7 |

TABLE 8: Long-term interest rates¹¹

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1980 | | 1981 | | | 1981 | | | | | | | Change over 12 months % |
|-------------------|------|------|------|------|------|------|------|------|------|--------|-------|-------|------|------|------|--------|--------|-------------------------------|
| | | | | | | III | IV | I | II | III | March | April | May | June | July | August | Sept. | |
| B | 9,0 | 8,8 | 8,5 | 9,7 | 12,2 | 12,4 | 13,0 | 13,6 | 14,2 | 14,0 | 13,6 | 13,5 | 13,9 | 14,2 | 14,0 | 14,1 | 14,0 | 1,6 |
| DK | 13,6 | 16,6 | 16,7 | 15,9 | 18,9 | 18,9 | 18,4 | 18,4 | 19,4 | 20,3 | 18,4 | 19,0 | 19,4 | 19,4 | 20,1 | 20,2 | 20,3 | 1,4 |
| D | 7,8 | 6,2 | 5,7 | 7,4 | 8,5 | 8,1 | 8,9 | 10,3 | 10,9 | 11,1 | 10,3 | 10,2 | 10,8 | 10,9 | 11,0 | 11,2 | 11,1 | 3,0 |
| F | 10,5 | 11,0 | 10,6 | 10,0 | 13,7 | 13,9 | 14,3 | 15,0 | 17,3 | 17,1 | 15,0 | 15,0 | 17,3 | 17,3 | 17,1 | 17,0 | 17,1 | 3,2 |
| IRL | 14,7 | 12,9 | 12,8 | 14,9 | 15,4 | 14,6 | 15,6 | 16,1 | 17,2 | 18,2 | 16,1 | 16,6 | 17,0 | 17,2 | 17,4 | 17,6 | 18,2 | 3,6 |
| I | 12,5 | 15,2 | 14,2 | 14,3 | 16,4 | 17,0 | 17,9 | 18,4 | 18,4 | : | 18,4 | 18,9 | 18,6 | 18,4 | 19,2 | 20,1 | : | 3,8 |
| L | 7,2 | 7,0 | 6,6 | 6,8 | 7,4 | 7,5 | 7,9 | 8,0 | 8,7 | 9,2 | 8,0 | 8,3 | 8,7 | 8,7 | 8,9 | 9,0 | 9,2 | 1,7 |
| NL | 9,0 | 8,1 | 7,7 | 8,8 | 10,2 | 10,3 | 10,5 | 11,4 | 11,4 | 12,3 | 11,4 | 11,3 | 11,9 | 11,4 | 11,6 | 12,1 | 12,3 | 2,0 |
| UK | 14,4 | 12,7 | 12,5 | 13,0 | 13,8 | 13,3 | 13,8 | 13,4 | 14,7 | 16,1 | 13,4 | 13,8 | 14,2 | 14,7 | 15,0 | 15,2 | 16,1 | 2,8 |
| EC 9 ⁹ | 10,4 | 10,1 | 9,7 | 10,3 | 12,2 | 12,2 | 12,7 | 13,5 | 14,5 | (15,0) | 13,5 | 13,6 | 14,4 | 14,5 | 14,6 | 14,9 | (15,0) | (2,8) |
| USA | 6,8 | 7,1 | 7,9 | 8,7 | 10,8 | 10,9 | 11,9 | 12,2 | 14,8 | : | 12,2 | 12,6 | 13,0 | 14,8 | 13,1 | 13,6 | : | 3,1 |
| JAP | 8,7 | 7,3 | 6,1 | 7,7 | 9,2 | 9,2 | 9,4 | 8,3 | 8,8 | : | 8,3 | 8,4 | 8,8 | 8,8 | 8,9 | (9,0) | : | (-0,1) |

TABLE 9: Value of ECU — 1 ECU = units of national currency or SDRs

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1980 | | 1981 | | | 1981 | | | | | | | Change over 12 months % |
|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------------------------|
| | | | | | | III | IV | I | II | III | April | May | June | July | Aug. | Sept. | Oct. | |
| BFR/LFR | 43,17 | 40,88 | 40,06 | 40,17 | 40,60 | 40,44 | 41,07 | 41,61 | 41,42 | 41,07 | 41,49 | 41,41 | 41,37 | 41,29 | 41,15 | 40,76 | 40,81 | -0,1 |
| DKR | 6,76 | 6,86 | 7,02 | 7,21 | 7,83 | 7,81 | 7,86 | 7,97 | 7,98 | 7,88 | 7,99 | 7,98 | 7,96 | 7,91 | 7,91 | 7,81 | 7,84 | -0,1 |
| DM | 2,82 | 2,65 | 2,56 | 2,51 | 2,53 | 2,53 | 2,56 | 2,57 | 2,54 | 2,51 | 2,54 | 2,54 | 2,53 | 2,52 | 2,52 | 2,49 | 2,44 | -4,2 |
| DR | 40,89 | 42,04 | 46,80 | 50,78 | 59,24 | 61,43 | 60,36 | 61,43 | 61,83 | 61,47 | 61,88 | 61,80 | 61,81 | 61,63 | 61,62 | 61,17 | 61,48 | 2,2 |
| FF | 5,34 | 5,61 | 5,74 | 5,83 | 5,87 | 5,86 | 5,92 | 5,98 | 6,03 | 5,99 | 5,99 | 6,08 | 6,03 | 5,99 | 6,02 | 5,96 | 6,10 | 3,5 |
| IRL | 0,622 | 0,654 | 0,664 | 0,669 | 0,676 | 0,671 | 0,684 | 0,695 | 0,694 | 0,688 | 0,695 | 0,694 | 0,692 | 0,691 | 0,689 | 0,683 | 0,687 | 1,3 |
| LIT | 930 | 1 007 | 1 080 | 1 138 | 1 189 | 1 200 | 1 213 | 1 233 | 1 263 | 1 254 | 1 264 | 1 263 | 1 261 | 1 255 | 1 252 | 1 255 | 1 293 | 6,9 |
| HFL | 2,96 | 2,80 | 2,75 | 2,75 | 2,76 | 2,75 | 2,77 | 2,81 | 2,81 | 2,79 | 2,81 | 2,82 | 2,81 | 2,81 | 2,80 | 2,76 | 2,70 | -2,4 |
| UKL | 0,622 | 0,654 | 0,664 | 0,646 | 0,598 | 0,597 | 0,562 | 0,534 | 0,536 | 0,562 | 0,539 | 0,530 | 0,539 | 0,551 | 0,553 | 0,582 | 0,589 | 2,8 |
| USD | 1,118 | 1,141 | 1,274 | 1,371 | 1,391 | 1,423 | 1,340 | 1,233 | 1,116 | 1,033 | 1,175 | 1,107 | 1,066 | 1,034 | 1,007 | 1,057 | 1,086 | -21,6 |
| YEN | 331,2 | 305,8 | 267,1 | 300,5 | 315,0 | 312,8 | 282,1 | 253,1 | 245,0 | 239,1 | 252,1 | 244,1 | 238,7 | 239,9 | 235,1 | 242,4 | 251,1 | -13,3 |
| SDR | 0,968 | 0,977 | 1,018 | 1,061 | 1,068 | 1,078 | 1,042 | 0,992 | 0,943 | 0,911 | 0,970 | 0,939 | 0,921 | 0,910 | 0,898 | 0,925 | 0,941 | -11,1 |

TABLE 10: Effective exchange rates: export aspect¹² - Percentage change on preceding period

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1980 | | 1981 | | | 1981 | | | | | | | Change over 12 months % |
|-----|-------|------|------|------|------|------|------|------|------|------|-------|------|------|------|------|-------|------|-------------------------------|
| | | | | | | III | IV | I | II | III | April | May | June | July | Aug. | Sept. | Oct. | |
| B/L | 2,1 | 6,1 | 3,7 | 1,5 | -0,5 | 0,2 | -3,2 | -2,6 | -1,4 | -0,9 | 0,0 | -0,8 | -0,9 | -0,6 | 0,1 | 1,8 | 0,7 | -3,2 |
| DK | 2,2 | -0,4 | 0,4 | -0,9 | -8,2 | 0,5 | -3,5 | -3,5 | -2,5 | -0,1 | -0,5 | -1,7 | -0,4 | -0,3 | -0,2 | 3,5 | 0,9 | -3,0 |
| D | 5,8 | 8,6 | 6,8 | 5,1 | 0,3 | -0,1 | -4,1 | -2,6 | -1,2 | -1,1 | -0,3 | -1,8 | -0,9 | -0,7 | -0,3 | 2,9 | 3,6 | 0,3 |
| F | -3,6 | -4,8 | -1,1 | 0,6 | 0,3 | 0,3 | -3,2 | -3,0 | -3,1 | -1,1 | -0,4 | -2,9 | -0,1 | -0,3 | -0,8 | 2,3 | -1,7 | -7,9 |
| IRL | -10,2 | -2,9 | 1,4 | 0,4 | -3,0 | 0,3 | -6,2 | -4,1 | -2,1 | 0,2 | -0,5 | -1,8 | -0,3 | -0,9 | 1,0 | 3,8 | 0,5 | -3,2 |
| I | -17,0 | -8,1 | -5,8 | -3,2 | -3,7 | -1,3 | -3,4 | -3,8 | -4,9 | -1,3 | -2,3 | -1,3 | -1,1 | -0,4 | -0,2 | 0,9 | -2,2 | -11,6 |
| NL | 2,8 | 5,8 | 3,0 | 1,7 | 0,0 | 0,7 | -2,3 | -2,7 | -2,0 | -0,4 | 0,5 | -1,3 | -0,5 | -0,5 | 0,2 | 2,2 | 3,1 | -1,0 |
| UK | -14,7 | -4,6 | 1,3 | 6,4 | 10,2 | 2,4 | 4,9 | 0,9 | -3,8 | -6,4 | -0,4 | -0,3 | -3,3 | -0,1 | -4,5 | -3,6 | 0,3 | -13,4 |
| ECU | -8,3 | 1,5 | 4,5 | 5,7 | 1,9 | 0,4 | -4,6 | -6,3 | -5,7 | -4,4 | -1,3 | -3,6 | -2,5 | -1,5 | -1,6 | 3,3 | 2,1 | -14,8 |
| USA | 5,2 | -1,2 | -9,7 | -2,6 | 0,1 | -2,7 | 3,0 | 3,4 | 7,4 | 5,6 | 2,1 | 3,9 | 2,4 | 2,4 | 2,1 | -3,1 | -1,0 | 15,5 |
| JAP | 4,5 | 10,9 | 21,5 | -6,9 | -4,1 | 4,0 | 7,3 | 6,5 | -2,0 | -1,8 | -1,6 | 0,1 | 0,1 | -2,4 | 1,0 | -0,3 | -1,9 | 1,6 |

⁸ National sources for the Federal Republic of Germany, France, Ireland and the United Kingdom; seasonally adjusted by Eurostat for Denmark, Italy, The Netherlands and Belgium.

⁹ Average weighted by 1978 GDP at current prices and current exchange rates. For the money supply the monthly variation is calculated using linear interpolation of quarterly data for Belgium.

¹⁰ National sources; EC excluding Luxembourg; three-month interbank rate except: Denmark, call-money rates on the money market (monthly average); Italy, yield of three-month Treasury bills; Belgium, yield at issue of four-month certificates issued by the Fonds des Rentes. Annual average, end of quarter and end of month.

¹¹ Yield of public-sector bonds. Annual average and average of last month of the quarter, monthly average except for France: end of quarter and end of month.

¹² Weighting coefficients calculated to take account not only of bilateral trade but also of competition in third markets and in the exporting country's domestic market.

Note: (s.a.) = seasonally adjusted.

TABLE 1: **Industrial production**¹ - Percentage change on preceding period (s.a.)

| | Percentage change in processing prices (%) | | | | | | | | | | | | | | | | | | Change over 12 months % 2 |
|--------------|--|------|------|------|------|------|------|------|------|------|------|-------|-------|------|------|------|--------|------|---------------------------------|
| | 1976 | 1977 | 1978 | 1979 | 1980 | 1980 | | | 1981 | | 1981 | | | | | | | | |
| | | | | | | II | III | IV | I | II | Feb. | March | April | May | June | July | Aug. | | |
| B | 8,1 | 0,4 | 2,4 | 4,5 | -0,8 | -3,4 | -3,2 | -3,5 | 3,3 | 0 | -2,3 | -0,4 | -1,6 | 3,1 | 2,1 | -6,5 | 2,1 | -5,1 | |
| DK | 9,3 | 0,8 | 2,3 | 3,6 | 0,2 | -4,1 | -1,3 | -1,6 | 2,3 | -0,7 | 1,4 | 1,1 | -0,3 | -4,9 | 5,3 | 3,3 | -7,2 | 2,5 | |
| D | 7,4 | 2,8 | 2,0 | 5,5 | -0,8 | -2,7 | -1,8 | -0,9 | 0,9 | 0 | 4,7 | -2,7 | 0,9 | 0 | -2,8 | 1,9 | 0,9 | 1,1 | |
| GR | 10,5 | 2,0 | 7,6 | 6,1 | 1,0 | 1,2 | -1,1 | -1,4 | -2,3 | : | 2,9 | -0,5 | -0,7 | 4,6 | : | : | : | 1,1 | |
| F | 9,7 | 1,6 | 1,6 | 4,7 | -0,7 | -2,2 | 0,8 | -2,3 | -4,9 | 0,2 | -0,8 | 4,9 | -2,4 | -0,8 | 1,6 | 1,6 | 0 | -2,4 | |
| IRL | 8,8 | 9,2 | 8,1 | 6,1 | -1,7 | -0,6 | -5,1 | -1,9 | 3,7 | 1,6 | 4,3 | -4,4 | 3,4 | 0,2 | -0,7 | 4,7 | : | 8,5 | |
| I | 11,6 | 0 | 2,1 | 6,7 | 5,0 | -2,7 | -7,6 | 5,3 | 0,6 | -2,5 | 7,6 | -0,9 | -0,4 | -5,9 | 0,1 | 3,1 | -15,7 | -5,1 | |
| L | 3,8 | 0,5 | 3,2 | 3,4 | -3,3 | -2,4 | -7,5 | -1,3 | -4,9 | 1,6 | 4,0 | 0,2 | -4,6 | 8,5 | -1,8 | -1,2 | 1,8 | 2,3 | |
| NL | 8,0 | 0 | 0,9 | 2,8 | -0,2 | -3,4 | -4,2 | 3,7 | 0,6 | -4,2 | 2,7 | -4,3 | -0,9 | -1,8 | 0 | 2,8 | -3,6 | -3,2 | |
| UK | 2,7 | 4,7 | 3,3 | 3,8 | -6,9 | -2,9 | -2,9 | -2,4 | -0,8 | 0 | 1,1 | -0,2 | -0,3 | -0,8 | 1,8 | 0,2 | 0 | -1,2 | |
| EC 10 | 7,4 | 2,4 | 2,4 | 4,9 | -0,9 | -1,2 | -2,6 | -1,3 | -0,3 | -0,2 | 1,7 | -0,6 | -0,4 | -0,1 | 0,3 | 0,3 | -1,7 | -2,8 | |
| USA | 10,2 | 6,5 | 5,7 | 4,4 | -3,5 | -5,2 | -1,7 | 4,9 | 1,8 | 0,6 | -0,1 | 0,4 | 0 | 0,5 | -0,1 | 0,3 | -0,3 | 7,5 | |
| JAP | 11,1 | 4,1 | 6,2 | 8,3 | 7,0 | 0,3 | -2,0 | 1,6 | 1,6 | -0,3 | 0,6 | -0,7 | 0,3 | -1,8 | 2,6 | 1,0 | (-2,6) | 4,7 | |

TABLE 2: **Unemployment rate** - Number of unemployed as percentage of civilian labour force (s.a.)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1980 | | 1981 | | | 1981 | | | | | | | Change over 12 months % 2 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|-------|-------|------|------|-------|--------|-------|---------------------------------|
| | | | | | | III | IV | I | II | III | March | April | May | June | July | August | Sept. | |
| B | 6,8 | 7,8 | 8,4 | 8,7 | 9,4 | 9,5 | 10,1 | 10,6 | 11,2 | 12,0 | 10,8 | 11,0 | 11,2 | 11,5 | 11,8 | 12,0 | 12,1 | 22,0 |
| DK ³ | 4,7 | 5,8 | 6,5 | 5,3 | 6,2 | 6,2 | 7,3 | 8,0 | 8,3 | 8,1 | 8,0 | 8,5 | 8,2 | 8,1 | (8,1) | (8,1) | (8,2) | (18,2) |
| D | 4,1 | 4,0 | 3,9 | 3,4 | 3,4 | 3,5 | 3,8 | 4,2 | 4,6 | 5,1 | 4,3 | 4,4 | 4,6 | 4,7 | 5,0 | 5,2 | 5,3 | 52,7 |
| F | 4,3 | 4,8 | 5,2 | 6,0 | 6,4 | 6,3 | 6,6 | 7,1 | 7,5 | 7,9 | 7,2 | 7,4 | 7,5 | 7,6 | 7,8 | 7,9 | 8,1 | 25,9 |
| IRL | 9,4 | 9,2 | 8,4 | 7,4 | 8,3 | 8,6 | 9,4 | 9,9 | 10,3 | 10,6 | 10,1 | 10,2 | 10,2 | 10,4 | 10,5 | 10,5 | 10,8 | 20,5 |
| I | 5,6 | 6,4 | 7,1 | 7,5 | 8,0 | 8,0 | 8,1 | 8,3 | 8,6 | 8,8 | 8,4 | 8,4 | 8,6 | 8,7 | 8,8 | 8,8 | 8,8 | 10,8 |
| L | 0,3 | 0,5 | 0,7 | 0,7 | 0,7 | 0,7 | 0,8 | 0,9 | 0,9 | 1,0 | 0,9 | 0,9 | 0,9 | 0,9 | 0,9 | 1,0 | 1,1 | 56,0 |
| NL | 4,3 | 4,1 | 4,1 | 4,1 | 4,8 | 4,9 | 5,6 | 6,2 | 6,9 | 7,7 | 6,6 | 6,7 | 6,9 | 7,2 | 7,6 | 7,7 | 7,9 | 53,5 |
| UK | 5,3 | 5,7 | 5,7 | 5,3 | 6,9 | 7,1 | 8,3 | 9,4 | 10,3 | 11,0 | 9,7 | 10,0 | 10,3 | 10,6 | 10,7 | 11,0 | 11,4 | 47,0 |
| EC 9 | 4,9 | 5,3 | 5,5 | 5,5 | 6,2 | 6,2 | 6,8 | 7,3 | 7,8 | 8,3 | 7,5 | 7,7 | 7,8 | 8,0 | 8,2 | 8,3 | 8,5 | 31,8 |
| USA | 7,7 | 7,0 | 6,0 | 5,8 | 7,1 | 7,5 | 7,5 | 7,4 | 7,4 | 7,2 | 7,3 | 7,3 | 7,6 | 7,3 | 7,0 | 7,2 | 7,5 | (2,0) |
| JAP ⁴ | 2,0 | 2,0 | 2,2 | 2,1 | 2,0 | 2,0 | 2,2 | 2,2 | 2,3 | : | 2,2 | 2,3 | 2,4 | 2,3 | 2,2 | 2,1 | : | 0 |

TABLE 3: **Consumer price index** - Percentage change on preceding period

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1980 | | 1981 | | | 1981 | | | | | | | Change over 12 months % 2 |
|-------------------------|------|------|------|------|------|------|-----|------|-------|-----|-------|-------|-------|-------|-------|--------|-------|---------------------------------|
| | | | | | | III | IV | I | II | III | March | April | May | June | July | August | Sept. | |
| B | 9,2 | 7,1 | 4,5 | 4,5 | 6,6 | 1,8 | 2,2 | 2,2 | 0,8 | 2,6 | 0,6 | -0,1 | -0,1 | 0,6 | 1,6 | 0,5 | 0,9 | 8,4 |
| DK | 9,0 | 11,1 | 10,1 | 9,6 | 12,4 | 2,9 | 1,9 | 2,6 | 4,3 | 2,4 | 2,0 | 1,2 | 1,6 | 1,0 | 0,7 | 0,4 | 0,8 | 11,9 |
| D | 4,3 | 3,7 | 2,7 | 4,1 | 5,5 | 0,7 | 0,8 | 2,2 | 1,8 | 1,2 | 0,7 | 0,7 | 0,4 | 0,5 | 0,4 | 0,3 | 0,5 | 6,5 |
| GR | 13,3 | 12,2 | 12,5 | 19,0 | 24,9 | 1,8 | 7,8 | 7,3 | 5,4 | 1,9 | 2,4 | 2,0 | 1,2 | 1,8 | -0,5 | -0,8 | 4,3 | 25,4 |
| F | 9,6 | 9,5 | 9,3 | 10,7 | 13,6 | 3,2 | 2,8 | 2,9 | 3,3 | 3,9 | 1,0 | 1,3 | 0,9 | 1,0 | 1,7 | 1,3 | 1,1 | 13,8 |
| IRL ⁵ | 17,9 | 13,7 | 7,7 | 13,2 | 18,2 | 2,9 | 3,1 | 6,2 | 3,9 | 5,6 | (1,3) | (1,3) | (1,3) | (1,9) | (1,9) | (1,9) | : | 20,1 |
| I | 16,8 | 17,0 | 12,2 | 14,8 | 21,2 | 4,3 | 5,3 | 5,2 | 4,4 | 3,0 | 1,4 | 1,3 | 1,6 | 1,1 | 0,6 | 0,7 | 1,5 | 18,7 |
| L | 9,8 | 6,7 | 3,1 | 4,5 | 6,3 | 1,0 | 1,9 | 2,4 | 2,2 | 2,0 | 0,8 | 0,6 | 0,8 | 1,0 | 0,5 | 0,4 | 0,9 | 9,4 |
| NL | 9,0 | 6,4 | 4,2 | 4,3 | 7,0 | 1,1 | 1,5 | 1,5 | 2,3 | 1,7 | 0,9 | 1,1 | 0,5 | 0,1 | 0,7 | 0,6 | 1,1 | 7,4 |
| UK | 16,5 | 15,9 | 8,3 | 13,4 | 18,0 | 2,1 | 1,9 | 2,4 | 4,9 | 1,7 | 1,5 | 2,9 | 0,6 | 0,5 | 0,5 | 0,7 | 0,6 | 11,4 |
| EC 10 | 10,8 | 10,5 | 7,6 | 10,2 | 14,1 | 2,5 | 2,6 | 3,2 | 3,6 | 2,5 | 1,2 | 1,6 | 0,9 | 0,8 | 0,8 | 0,7 | 1,0 | 12,6 |
| USA | 5,8 | 6,5 | 7,6 | 11,5 | 13,5 | 1,9 | 2,6 | 2,6 | (2,0) | 3,0 | 0,6 | 0,4 | 0,7 | 0,7 | 1,1 | 0,8 | 1,2 | 11,1 |
| JAP | 9,3 | 8,1 | 3,8 | 3,6 | 8,0 | 1,2 | 1,0 | 1,1 | 1,6 | : | 0,5 | 0,8 | 0,9 | 0,1 | -0,3 | -0,6 | : | 3,8 |

TABLE 4: **Volume of retail sales** - Percentage change on preceding period (s.a.)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1980 | | 1981 | | | 1981 | | | | | | | Change over 12 months % 2 |
|-------------------------|------|------|------|------|------|------|------|------|------|-----|-------|-------|------|------|--------|--------|-------|---------------------------------|
| | | | | | | III | IV | I | II | III | March | April | May | June | July | August | Sept. | |
| B | 5,7 | 1,2 | 2,3 | 3,9 | 0,1 | -0,7 | -0,6 | -3,2 | 1,7 | : | -3,9 | 6,3 | -3,6 | 5,1 | -2,6 | : | : | -4,4 |
| DK | 4,8 | 1,1 | -2,4 | 2,2 | -1,5 | -1,0 | 0,4 | -0,3 | 0,1 | : | -1,5 | 4,7 | -2,3 | -3,8 | 7,0 | : | : | 3,9 |
| D | 3,8 | 3,1 | 2,8 | 2,6 | 0,3 | 2,0 | 0,2 | -1,5 | -2,3 | : | -5,8 | 2,8 | -2,6 | -1,0 | 4,1 | : | : | -3,4 |
| GR | : | : | : | : | 2,9 | 5,8 | -3,4 | -2,2 | : | : | 1,9 | : | : | : | : | : | : | -6,0 |
| F | 2,9 | 0,1 | 2,1 | 2,3 | -0,4 | 1,4 | 2,0 | -1,8 | 0,5 | 1,7 | -1,9 | 4,5 | -3,9 | 2,0 | 3,0 | -2,7 | 1,9 | 1,9 |
| IRL | 2,6 | 4,9 | 8,8 | 3,4 | -0,8 | -2,4 | 4,1 | 0 | 1,2 | : | 3,6 | -0,6 | -3,3 | 0,2 | : | : | : | 1,6 |
| I | 3,5 | 2,9 | 2,6 | 7,3 | 3,6 | 1,5 | -0,5 | 0,8 | -0,3 | : | -4,9 | 7,4 | -4,0 | 0,2 | 1,1 | : | : | -2,6 |
| NL | 2,2 | 4,7 | 4,7 | -0,3 | -4,1 | -1,2 | -1,8 | 0,2 | -1,3 | : | -6,3 | 6,8 | -2,9 | -2,3 | 7,3 | : | : | 0,2 |
| UK | -0,1 | -1,7 | 5,6 | 4,8 | 0,6 | -0,3 | 0,2 | 3,4 | -1,4 | : | -1,3 | 0,0 | -0,7 | 1,0 | -1,8 | : | : | 0,2 |
| EC 9⁶ | 2,7 | 1,5 | 3,2 | 3,6 | 0,5 | 1,0 | 0,3 | -0,2 | -0,9 | : | -3,7 | 3,8 | -2,8 | 0,4 | 2,1 | : | : | -1,1 |
| USA | 6,1 | 6,5 | 3,3 | 0,3 | -4,6 | 1,7 | 0,1 | 2,5 | -1,6 | 1,1 | 0,4 | -2,0 | -0,6 | 1,3 | (-0,3) | (0,2) | (2,8) | (4,6) |
| JAP | -1,9 | 8,2 | 6,5 | -4,1 | -8,4 | -2,5 | -1,6 | -3,2 | -3,2 | : | 0,9 | -0,5 | -2,6 | -0,8 | (2,3) | : | : | (-6,9) |

TABLE 5: **Trade balance** - fob/cif, million ECUs (s.a.)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1980 | | 1981 | | | 1981 | | | | | | | Change over 12 months 2 | |
|-------------------|--------|--------|--------|--------|--------|--------|--------|-----------|-----------|--------|-----------|-----------|-----------|-----------|-----------|--------|---------|-------------------------------|--|
| | | | | | | III | IV | I | II | III | March | April | May | June | July | August | Sept. | | |
| B/L | -2 375 | -2 526 | -2 890 | -3 020 | -5 172 | -1 278 | -1 391 | -1 960 | -1 367 | : | - 645 | - 610 | - 360 | - 397 | - 641 | : | : | - 305 | |
| DK | -2 954 | -2 801 | -2 198 | -2 904 | -1 911 | - 440 | - 313 | - 270 | - 333 | : | - 114 | - 143 | - 185 | - 4 | - 184 | : | : | + 49 | |
| D | 12 243 | 14 514 | 15 934 | 8 933 | 3 545 | 835 | 501 | 169 | 2 365 | 3 149 | - 332 | 1 028 | 646 | 691 | 1 690 | 395 | 1 063 | + 796 | |
| GR | -3 131 | -3 588 | -3 347 | -4 187 | -3 906 | - 928 | -1 131 | - 562 | : | : | - 223 | - 553 | : | : | : | : | : | - 249 | |
| F | -7 732 | -6 117 | -4 097 | -6 195 | -16952 | -4 558 | -4 764 | -4 321 | -4 068 | -4 263 | -1 381 | -1 337 | -1 095 | -1 636 | -1 607 | - 785 | -1 871 | - 339 | |
| IRL | - 772 | - 876 | -1 132 | -1 955 | -1 898 | - 390 | - 553 | - 593 | - 583 | - 739 | - 223 | - 229 | - 163 | - 191 | - 307 | - 168 | - 264 | - 134 | |
| I | -5 981 | -2 444 | - 336 | -4 103 | -15696 | -5 288 | -4 654 | -3 953 | -4 757 | : | -1 321 | -1 678 | -1 973 | -1 107 | - 773 | -1 238 | : | + 548 | |
| NL | 317 | -1 687 | -2 240 | -2 619 | -2 184 | - 815 | - 710 | - 149 | - 259 | : | - 15 | - 92 | - 65 | - 102 | 69 | - 10 | : | + 289 | |
| UK | -8 664 | -5 246 | -5 548 | -8 705 | -3 590 | - 551 | 779 | : | : | : | : | : | : | : | : | : | (- 520) | (- 489) | |
| EC 9 ⁷ | -15919 | -7 184 | -2 508 | -20804 | -43859 | -12410 | -10751 | (- 10500) | (- 10600) | : | (- 4 400) | (- 3 500) | (- 3 700) | (- 3 300) | (- 2 300) | : | : | (+ 2 050) | |
| USA | -13189 | -31907 | -31014 | -27146 | -26113 | -3 792 | -5 387 | -7 210 | -8 991 | : | - 374 | -2 950 | -3 112 | -2 929 | -1 416 | -5 676 | : | -4 459 | |
| JAP | 2 171 | 8 488 | 14 285 | -5 574 | -7 700 | -1 186 | - 156 | 376 | 2 273 | 3 556 | - 116 | 679 | 692 | 902 | 579 | 1 498 | 1 479 | + 1 335 | |

Major economic policy measures — October 1981

Community (EC)

4.10 As part of a realignment of central rates within the European Monetary System, the German mark and the Dutch guilder were revalued by 5.5% against the Danish crown, the Belgian franc, the Luxembourg franc and the Irish pound. The French franc and the Italian lira were devalued by 3% against the same four currencies.

16.10 The Commission presented to the press its Annual Economic Report 1981-82 which analyses the economic situation of the Community and defines the guidelines for each Member State to follow in its economic policy. This report is proposed to the Council for adoption, after consultation of the European Parliament and the Economic and Social Committee. It is accompanied by an Economic Review designed to provide detailed factual information on economic developments and outlook. In its Report, the Commission notes that while almost all the industrialized countries have been hit by structural shifts in the world economy, by the consequences of the two oil price shocks, interest rate and exchange rate instability and public budgets and balance of payments disequilibria, the business cycle is now turning for the better in Europe. Taking 1982 as a whole over 1981, the Commission forecasts a rise of GDP of some 2%, with a somewhat faster rate building up in the course of the year. Exports are expected to rise about 6% and domestic demand as a whole by 1½%. Consumer price rises should decelerate to about 10½% for the year as a whole, and the balance of payments current deficit narrow to 0.9% of GDP. Money supply expansion may decelerate, while public deficits are expected to narrow slightly on average to 4.1% of GDP. Unemployment is expected to stabilize in the second half of 1982 at around 8½%. The Commission concludes that the improved outlook and probable performance in 1982 fall far short of what is needed either to reverse the trend of unemployment or make good the economic weakness and policy errors which left Europe ill-defended against successive shocks to the world economy, and that the need is for more radical and fundamental changes in the macro-economic management of public budgets, in sectoral adjustments and in the behaviour of social partners.

Belgium (B)

30.9 To stimulate activity in the building industry, the Government released the last quarter of the public investment programme for 1981, BFR 31 400 million, and a BFR 2 600 million appropriation—of which BFR 1 000 million is to go to the Buildings Authority and BFR 1 600 million to the School Buildings Fund.

Denmark (DK)

None.

Greece (GR)

None.

FR Germany (D)

9.10 Following the strengthening of the DM after the realignment of the EMS, on 8 October the Bundesbank lowered its special Lombard rate from 12% to 11%.

14.10 The Government has approved a set of measures designed to speed up procedures for obtaining approval to construct nuclear power stations.

Greece (GR)

None.

France (F)

5.10 In an effort to slow down the upward movement of prices, the following measures were adopted:

— a six-month freeze on prices in the services sector and a three-month freeze

on the retail prices of certain key basic foodstuffs, both at their 3 October 1981 level;

- a three-month freeze, in absolute value, on importers' profit margins;
- the distributive trades were called upon to stabilize or lower the prices of a number of key products;
- industrial prices remained free of control, but industrial firms and wholesalers were called upon not to raise their prices by more than 8% a year;
- for six months, with effect from 7 October, rent increases were limited to 80% of the rise in the cost of construction index;
- a commitment was made to keep the rise in public sector tariffs to between 8% and 10% in 1982.

5.10 The overall limit on concessionary investment loans distributed by the Crédit National d'Équipement des petites et moyennes entreprises and the regional development corporations was raised from FF 17 to FF 22 000 million for 1981.

5.10 An additional FF 500 million for long-term, reduced-rate participatory bank loans was released to assist small industrial firms.

7.10 Following the currency readjustment of 4 October 1981, the 'green franc' was devalued by 1.5%. As a result, agricultural producer prices will increase by a similar percentage.

7.10 As part of the measures accompanying the devaluation, in the framework of a procedure for regulating public expenditure it was decided to defer the execution of various expenditures for investment and support of activity for a total of FF 15 000 million. These sums will be committed in line with the requirements of the policy of expansion and job-creation.

14.10 The two-year provisional plan (1982-83) was presented to the Cabinet. Its purpose is to establish an economic strategy designed to reverse the rising trend of unemployment.

16.10 The rate of return on (A- and B-type) savings books was increased to 8.5%.

17.10 Incomes below the minimum wage (SMIC) will be exempt from income tax.

17.10 The Government adopted an aid programme for the creation of jobs on local initiative, providing for the creation of 5 000 jobs in 1981 and 10 000 in 1982. The assistance, which is estimated to cost FF 500 million, is not renewable nor can it be combined with other direct job creation assistance. All organizations which have legal personality, regional public institutions, local authorities and associations of local authorities are eligible to receive it.

Ireland (IRL)

None.

Italy (I)

None.

Luxembourg (L)

None.

Netherlands (NL)

None.

United Kingdom (UK)

19.10 The Government announced plans to sell a majority stake in the British National Oil Corporation to the private sector during the next financial year. The British Gas Corporation's North Sea oil interests will also be sold and its monopoly rights over gas supplies to industrial customers ended.

Price (excluding VAT) in Luxembourg

| | ECU | BFR | IRL | UKL | USD | |
|--|-------|-------|-------|-------|-------|--|
| 'European Economy' (3 issues per year) | 17.10 | 700 | 12.00 | 10.50 | 24.50 | The annual subscription runs from 1 January to 31 December of each year. |
| Supplements | | | | | | |
| Series A — 'Recent economic trends' (11 issues per year) | 8.55 | 350 | 6.00 | 5.30 | 12.30 | Payments to be made only to the agents in the countries listed on page 3 of the cover of European Economy. |
| Series B — 'Economic prospects — business survey results' (11 issues per year) | 8.55 | 350 | 6.00 | 5.30 | 12.30 | |
| Series C — 'Economic prospects — consumer survey results' (3 issues per year) | 2.45 | 100 | 1.70 | 1.50 | 3.50 | |
| All three supplements | 19.50 | 800 | 13.60 | 12.00 | 28.00 | These are surface mail rates; for air subscription rates please apply to the agents |
| Combined subscription — 'European Economy' and supplements | 36.60 | 1 500 | 25.50 | 22.50 | 52.50 | |

